

**Okmulgee County Rural Water District No. 6  
Mounds, Oklahoma**

Financial Statements and Auditor's Reports

Year Ended December 31, 2015

Audited by

**SANDERS, BLEDSOE & HEWETT  
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

BROKEN ARROW, OK

Okmulgee County Rural Water District No. 6  
Mounds, Oklahoma  
Board of Directors  
December 31, 2015

**BOARD OF DIRECTORS**

**Chairman**

Mary Smith

**Vice-Chairman**

Stanley Allen

**Secretary/Treasurer**

Glenn Shoaf

**Members**

Phillip Olden

Randy Fulbright

Daryle Fox

Mary Ann Seago

**MANAGER**

Rick Boone

**MANAGER**

Gina McCall

Okmulgee County Rural Water District No. 6  
Mounds, Oklahoma  
December 31, 2015

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# SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Okmulgee County Rural Water District No. 6  
Mounds, Oklahoma

We have audited the accompanying financial statements of the business-type activities of the Okmulgee County Rural Water District No. 5 (the District), Mounds, Oklahoma, as of and for the year ended December 31, 2015, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as

evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **Opinions**

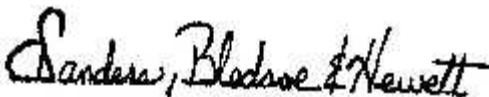
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of December 31, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 and 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Sanders, Bledsoe & Hewett  
Certified Public Accountants, LLP

February 1, 2016

## **RURAL WATER DISTRICT NO. 6, OKMULGEE COUNTY**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2015**

Our discussion and analysis of the Rural Water District No. 6, Okmulgee County's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2015. Please read it in conjunction with the District's financial statements that begin on page 11.

#### **FINANCIAL HIGHLIGHTS**

- The District's total operating revenues exceeded total operating expenses by \$9,707. Overall, the District's cash and cash equivalents increased by \$135,606 in the current fiscal year.
- The District earned \$1,757 in interest in 2015.
- The District increased water rates in 2015, to keep up with increasing costs.
- The District continued to pay on their outstanding USDA/Rural Development loan.
- The District's repairs & maintenance expenses increased in 2015, mostly due to the repainting of the water tower for \$51,480.

#### **Using This Report**

This report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's basis of accounting.

#### **Basis of Accounting**

The District has elected to present its financial statements in the accrual basis of accounting. According to the accrual basis, revenues are recorded when earned and expenses are recognized when incurred. This policy is in accordance with generally accepted accounting principles.

#### **The Financial Statements**

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The statement of Assets, Liabilities and Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows report information about the District and about its activities in a way that helps answer this question.

These three statements report the District's net assets and the changes in them. You can think of the District's net assets – the difference between assets and liabilities – as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in water rates paid or charged and the condition of the District's water system, to assess the overall health of the District.

The District has only one type of fund or activity, which is defined as *Business-type activities*. This is considered a proprietary fund. This means the District charges a fee to customers to help it cover all or most of the cost of certain services it provides.

### **Fixed Assets**

At December 31, 2014 the District had \$6,335,884 invested in fixed assets, net of depreciation, including buildings, the water system, vehicles and equipment. The District added \$50,407 of fixed assets in 2015.

### **Long-Term Debt**

The District was indebted to Rural Development for a \$2,238,186 note obtained for extensive extensions and improvements. The total approved proceeds are \$3,445,220. This has an interest rate of 3.375%, and the District has already began making the scheduled monthly payments of \$13,092 towards this loan. The outstanding balance at year-end was \$3,189,621.

### **Economic Factors and Next Year's Budget and Rates**

The District may be forced to make further increases if additional increases are made by their water sources.

The District will continue to make further water system expansions and improvements with the loan proceeds, which are needed by increased demands on the current system.

The District's budget for fiscal year 2016 will remain much like previous years budgets.

### **Contacting the District's Management**

This report is designed to provide our customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the District Office at P.O. Box 340, Mounds, OK 74047 or call (918) 827-6350.



# SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Okmulgee County Rural Water District No. 6  
Mounds, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the Okmulgee County Rural Water District No. 6 (the District), Mounds, Oklahoma, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 1, 2016.

**Internal Control Over Financial Reporting**

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting in order to determine our auditing procedures that are appropriate for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified no deficiencies in the internal controls that we considered to be material weaknesses.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that



there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Sanders, Bledsoe & Hewett". The script is cursive and somewhat stylized, with the first letters of each name being capitalized and prominent.

Sanders, Bledsoe & Hewett  
Certified Public Accountants, LLP

February 1, 2016

**OKMULGEE COUNTY RURAL DISTRICT NO. 6**  
**Disposition of Prior Year's Reportable Conditions**  
**December 31, 2015**

There were no prior year reportable conditions.

**OKMULGEE COUNTY RURAL DISTRICT NO. 6**  
**Schedule of Audit Results, Findings and Questioned Costs**  
**December 31, 2015**

**Section 1** – Summary of Auditor's Results:

1. An unqualified opinion was issued on the financial statements.
2. The audit disclosed no reportable conditions in the internal controls.
3. The audit disclosed no instances of noncompliance.

**Section 2** – Findings relating to the financial statements required to be reported in accordance with GAGAS:

NONE

OKMULGEE COUNTY RURAL WATER DISTRICT NO. 6  
Statement of Net Position  
December 31, 2015

**ASSETS:**

Current Assets:

Cash and cash equivalents	\$ 1,604,380
Investments	104,632
Current portion of receivables	135,626
Prepaid assets	19,561
Total current assets	<u>1,864,199</u>

Non-current Assets:

Restricted cash-	
ORWA reserve certificate	1,000
Restricted investments-	
Rural Development reserve	154,799
Total restricted assets	<u>155,799</u>

Capital Assets-

Land	3,294
Buildings, net	88,677
Plant and water systems, net	6,106,919
Other capital assets, net	136,994
Total capital assets	<u>6,335,884</u>

Total non-current assets	<u>6,491,683</u>
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Total Assets	<u>8,355,882</u>
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**LIABILITIES:**

Current Liabilities:

Accounts payable	79,293
Accrued liabilities	46,038
Current portion of long-term debt	50,226
Total current liabilities	<u>175,557</u>

Noncurrent Liabilities:

Long-term debt	<u>3,139,395</u>
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Total Liabilities	<u>3,314,952</u>
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**NET POSITION:**

Invested in capital assets, net of related debt	3,146,263
Unrestricted assets	<u>1,894,667</u>
Total Net Position	<u>\$ 5,040,930</u>

The accompanying notes to the financial statements are an integral part of this statement

OKMULGEE COUNTY RURAL WATER DISTRICT NO. 6  
Statement of Revenues, Expenses and Changes in Net Position  
For The Year Ended December 31, 2015

**Operating Revenues:**

Water sales	\$ 1,699,219
Fees and fines	78,547
Benefit unit sales	39,250
Total revenue from operations	<u>1,817,016</u>

**Operating Expenses:**

Water purchases	812,209
Salaries and benefits	296,163
Payroll taxes	23,369
Employee retirement	9,468
Group health insurance	74,159
Repairs and maintenance	115,625
Vehicle expense	13,850
Telephone	13,794
Insurance	40,018
Dues and fees	4,213
Office expense and postage	37,349
Depreciation	265,041
Professional fees	4,900
Utilities	31,195
Contract labor	15,025
Miscellaneous	11,681
Total expenses from operations	<u>1,768,059</u>

Operating Income (Loss)	48,957
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**Non-Operating Revenues (Expenses):**

Interest income	1,757
Interest paid on long-term debt	<u>(109,178)</u>
Total Non-Operating Revenues (Expenses)	<u>(107,421)</u>

Change in Net Assets	(58,464)
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Total Net Assets, beginning of period	<u>5,099,394</u>
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Total Net Assets, end of period	<u><u>\$ 5,040,930</u></u>
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The accompanying notes to the financial statements are an integral part of this statement

OKMULGEE COUNTY RURAL WATER DISTRICT NO. 6  
Statement of Cash Flows  
For the Year Ended December 31, 2015

**Cash Flows from Operating Activities:**

Receipts from customers	\$ 1,799,851
Payments to employees	(289,923)
Payments to vendors	(1,206,837)
	<hr/>
Net Cash Provided by Operating Activities	303,091
	<hr/>

**Cash Flows from Financing Activities:**

Acquisition of fixed assets	(50,407)
Principal paid on long-term debt	(48,565)
Interest paid on long-term debt	(109,520)
	<hr/>
Net Cash Provided by (used in) Financing Activities	(208,492)
	<hr/>

**Cash Flows from Investing Activities:**

Memberships purchased	39,250
Interest earned on investments	1,757
	<hr/>
Net Cash Provided by (used in) Investing Activities	41,007
	<hr/>

Net Increase (Decrease) in Cash	135,606
Cash and cash equivalents, beginning of period	<hr/> 1,469,774
Cash and cash equivalents, end of period	<hr/> \$ 1,605,380 <hr/>

**Reconciliation of operating income (loss) to net cash provided by operating activities:**

Operating Income	\$ 9,707
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation Expense	265,041
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	23,862
(Increase) decrease in prepaid insurance	969
Increase (decrease) in accounts payable	974
Increase (decrease) in accruals	2,538
	<hr/>
Net cash provided by operating activities	\$ 303,091
	<hr/>

The accompanying notes to the financial statements are an integral part of this statement

## **OKMULGEE COUNTY RURAL WATER DISTRICT NO. 6**

### **Mounds, Oklahoma**

#### **Notes to the Financial Statements**

**December 31, 2015**

### **Note A – Significant Accounting Policies**

#### Nature of Organization

The Okmulgee County Rural Water District No. 6 (the District) was created under the provisions of Title 82 of Oklahoma Statutes, Section 1324.1 – 1324.35 and the Laws of the State of Oklahoma. The purpose of this District is to provide water services to users. The District is exempt from federal and state income taxes. The membership consists of approximately 3,290 members. The Board of Directors consists of seven members, listed on page 1. All Board members serve three year terms.

#### Reporting Entity

The District is an independent, self-contained reporting entity with no associated component units. It is operated in a manner similar to a private business enterprise where the cost (expenses, including depreciation) of providing water services is financed through user charges. The District purchases its water from the City of Tulsa and the City of Okmulgee.

#### Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) promulgated in the United States of America. The accounting and financial reporting treatment is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation are included on the statement of net position. The operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Depreciation expense is provided for capital assets based upon estimated useful lives. Financial activity is accounted for on the flow of economic resources measurement focus using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

## **OKMULGEE COUNTY RURAL WATER DISTRICT NO. 6**

### **Mounds, Oklahoma**

#### **Notes to the Financial Statements**

**December 31, 2015**

#### **Note A – Significant Accounting Policies – cont'd**

##### **Deposits and Investments**

Oklahoma Statutes authorize the District to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments provided that all deposits are fully covered by approved securities pledged to secure those funds. In addition, the District can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law.

Bank deposits are held at several financial institutions and are carried at cost. For purposes of statements of cash flows, the District considers cash and all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Custodial Credit Risk** - At December 31, 2015, the District held deposits of approximately \$1,866,119 at financial institutions. The District's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the District or by its agent in the District's name.

**Investment Interest Rate Risk** - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Investment Credit Risk** – The District has no policy that limits its investment choices other than the limitations of state law, as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposits or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.



**OKMULGEE COUNTY RURAL WATER DISTRICT NO. 6**

**Mounds, Oklahoma**

Notes to the Financial Statements

December 31, 2015

**Note A – Significant Accounting Policies – cont'd**

- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a-d).

The investments held at December 31, 2015 are as follows:

	Wtd. Avg Maturity	Credit Rating	Market	Cost
Money market/checking	N/A	AAAm	\$ 1,606,471	1,604,380
Certificates of deposit	1.0 Yrs	N/A	259,648	259,648
Total Deposits			<u>\$ 1,866,119</u>	<u>1,864,028</u>

Concentration of Investment Credit Risk – The District places no limit on the amount it may invest in any one issuer. The District has the following of credit risk: 13% in Certificates of Deposit (\$259,648) and 87% in Money Market funds (\$1,606,380).

Fair Value of Financial Instruments – The District's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and notes payable. The District's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of net position. The carrying amount of these financial instruments approximates fair values because of the short maturity of these instruments.

Accounts Receivable

Billings for accounts receivable at December 31, 2015 were \$135,625. No allowance for doubtful accounts was computed because the effect of bad debts on the financial statements is not considered material.

Prior Year Information

Prior year financial statement information is included in the other supplementary information section for comparative purposes only. No opinions are issued on these amounts, and are included as memorandum.

**OKMULGEE COUNTY RURAL WATER DISTRICT NO. 6**

**Mounds, Oklahoma**

Notes to the Financial Statements

December 31, 2015

**Note A – Significant Accounting Policies – cont'd**

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance, including workers compensation, for risk of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Fixed Assets

Fixed assets are valued at cost, depreciation is computed by use of the straight-line method. The estimated useful lives of these assets are as follows:

Land	N/A
Office furniture & fixtures	5-10 years
Equipment & tools	5 years
Transportation equipment	5 years
Water & sewer system	50 years
Buildings	25 years
Computer equipment	3 years

The fixed asset information for the District is shown below:

	12/31/2014 Amount	Additions	Deletions	12/31/2015 Amount
Land	\$ 3,294	-		3,294
Buildings	212,931	-	-	212,931
Plant and water sys.	8,886,084	23,793	-	8,909,877
Vehicles and equip.	518,285	26,614	-	544,899
Total Fixed Assets	9,617,300	50,407	-	9,671,001
Less: Accumulated Depreciation	(3,070,076)	(265,041)	-	(3,335,117)
Total	<u>\$ 6,547,224</u>	<u>(214,634)</u>	<u>-</u>	<u>6,335,884</u>

**OKMULGEE COUNTY RURAL WATER DISTRICT NO. 6**

**Mounds, Oklahoma**

Notes to the Financial Statements

December 31, 2015

**Note B – Long-Term Debt**

Long-Term Debt consists of one 2012 note to the Office of Rural Development for water system expansion and improvements. This note is for a total of \$3,445,220, at a rate of 3.375%. The District received \$1,681,748 of these proceeds in the 2013 fiscal year, and received \$401,334 in 2014. The District is required to make monthly payments of \$13,092 on this note, and began making payments in 2012. At December 31, 2015, the outstanding balance was \$3,189,621.

In compliance with Rural Development loan covenants, the above certificate of deposit held at Triad Bank (\$154,799) is held by the District as a reserve investment.

The scheduled maturities for future years, based on the current balance, are detailed as follows:

2016	\$ 50,226
2017	51,948
2018	53,729
2019	55,570
2020	57,475
2021-25	318,312
2026-30	376,736
2031+	<u>2,225,625</u>
Total	<u>\$ 3,189,621</u>

**Note C – Employee Retirement Plan**

The District has adopted a simplified employee pension (SEP) plan, which is self-directed and noncontributory. The District contributes 4% of the employee gross pay of each qualifying employee. Employees are eligible for the plan after two years of full-time employment and have attained the age of twenty-one years. The contribution by the District is computed and paid once a year, normally in December. For the 2015 fiscal year, the District contributed \$9,468.

**Note D – Subsequent Events**

Management has evaluated subsequent events through February 1, 2016, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

## OKMULGEE COUNTY RURAL WATER DISTRICT NO. 6

Balance Sheet  
December 31, 2015

<u>ASSETS</u>	<u>DECEMBER 31,</u>	
	<u>2015</u>	<u>(memo only) 2014</u>
Current Assets:		
Cash and cash equivalents	\$ 1,604,380	1,468,774
Investments	104,632	104,580
Accounts receivable	135,626	159,488
Prepaid insurance	19,561	20,530
Total current assets	<u>1,864,199</u>	<u>1,753,372</u>
Restricted Assets:		
ORWA reserve certificate	1,000	1,000
Rural Development reserve investment	154,799	154,509
Total restricted assets	<u>155,799</u>	<u>155,509</u>
Fixed Assets:		
Land	3,294	3,294
Building	212,931	212,931
Plant and water systems	8,909,877	8,886,084
Vehicles and equipment	544,899	518,285
Total fixed assets	<u>9,671,001</u>	<u>9,620,594</u>
Less: accumulated depreciation	<u>(3,335,117)</u>	<u>(3,070,076)</u>
Total fixed assets (net)	<u>6,335,884</u>	<u>6,550,518</u>
Total Assets	<u>\$ 8,355,882</u>	<u>8,459,399</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 76,226	75,488
Payroll and taxes payable	3,067	2,831
Accrued vacation and sick leave	39,255	36,613
Accrued interest on long-term debt	6,783	6,887
Current maturities of long-term debt	50,226	48,562
Total current liabilities	<u>175,557</u>	<u>170,381</u>
Long-Term Debt, less current maturities:		
Notes payable - Rural Development	<u>3,139,395</u>	<u>3,189,624</u>
Total Liabilities	<u>3,314,952</u>	<u>3,360,005</u>
Fund Equity:		
Member capital	1,736,324	1,697,074
Retained earnings	3,304,606	3,402,320
Total fund equity	<u>5,040,930</u>	<u>5,099,394</u>
Total Liabilities and Fund Equity	<u>\$ 8,355,882</u>	<u>8,459,399</u>

OKMULGEE COUNTY RURAL WATER DISTRICT NO. 6  
Statements of Revenue, Expenses and Changes in Retained Earnings  
For The Years Ended December 31, 2015

	2015	(memo only) 2014
Revenue from Operations:		
Water sales	\$ 1,699,219	\$ 1,696,249
Membership fees/taps	23,900	16,320
Late fees	48,081	31,439
Other income	6,566	13,807
Total revenue from operations	<u>1,777,766</u>	<u>1,757,815</u>
Expenses from Operations:		
Water purchases	812,209	843,256
Salaries and benefits	296,163	281,306
Payroll taxes	23,369	21,449
Employee retirement	9,468	9,526
Group health insurance	74,159	75,804
Repairs and maintenance	115,625	26,579
Vehicle expense	13,850	19,298
Telephone	13,794	13,983
Insurance	40,018	38,078
Dues and fees	4,213	4,806
Office expense and postage	37,349	34,297
Depreciation	265,041	261,516
Professional fees	4,900	15,004
Utilities	31,195	36,895
Contract labor	15,025	8,875
Miscellaneous	11,681	7,526
Total expenses from operations	<u>1,768,059</u>	<u>1,698,198</u>
Net Income (Loss) from Operations	9,707	59,617
Non-operating revenues:		
Interest earnings	<u>1,757</u>	<u>1,771</u>
Non-operating expenses:		
Interest on long-term debt	<u>(109,178)</u>	<u>(105,732)</u>
Net Income (Loss)	(97,714)	(44,344)
Retained earnings, beginning of period	<u>3,402,320</u>	<u>3,446,664</u>
Retained earnings, end of period	<u><u>\$ 3,304,606</u></u>	<u><u>\$ 3,402,320</u></u>